



## DEPARTMENT OF INFORMATION RESOURCES

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TO: **The Honorable Glen Maxey**  
**The Honorable Gonzalo Barrientos**  
**John Keel, Legislative Budget Board**  
**Wayne Roberts, Governor's Budget Office**

FROM: **Carolyn Purcell, Executive Director**   
**Department of Information Resources**

DATE: **October 13, 2000**

SUBJECT: **Report on Audit of Software Licenses Installed on Desktop**  
**Portable Computers Required by House Bill 1895, 76<sup>th</sup>**  
**Legislature**

Pursuant to provisions in House Bill 1895, 76<sup>th</sup> Legislature, attached is a summary of action taken and the required software licenses audit report. If you have any questions, please contact me or Regina Rousseau at 475-4746.

cc: **House Appropriations Committee**  
**Senate Finance Committee**  
**State Auditor's Office**  
**Comptroller of Public Accounts**  
**Texas Bond Review Board**

**Legislative Reference Library**  
**Texas State Publications**  
**Clearinghouse, State Library**  
**General Services Commission**  
**DIR Board**

# **Report on Audit of Software Licenses Installed on Desktop Portable Computers**

**Required by House Bill 1895, 76th Legislature  
Compiled by the Department of Information Resources  
October 15, 2000**

## **Background and Requirements**

House Bill 1895 amended Subchapter F, Chapter 2054, Government Code, by adding Sections 2054.121 and 2054.122; and amended Subchapter B, Chapter 2157, Government Code, by adding Section 2157.068. The bill directed the Department of Information Resources to do the following three things:

- Create an interagency panel to develop and establish a **training program** to assist state agencies in performing software audits, managing software, and purchasing software and software licenses. The interagency panel is appointed by the Department of Information Resources (DIR), General Services Commission, State Auditor's Office, and Comptroller of Public Accounts.
- Submit a **report summarizing savings realized by software audits** in state agencies. H.B. 1895 directs each state agency to perform a biennial audit of software licenses for software installed in the agency's desktop portable computers. DIR shall compile the results of the audits and submit a report summarizing savings with the department's legislative appropriations request.

*Note:* Since the Biennial Operating Plans identifying the audit savings were not due until each agency submitted its Legislative Appropriations Request (LAR) toward the end of August 2000, DIR specified in its LAR that this software savings report would be submitted separately by October 15, 2000.

- **Negotiate** with qualified information systems vendors to obtain **favorable prices** for all of state government on licenses for **commodity software items**, based on the aggregate volume of purchases expected to be made by the state. DIR shall compile and maintain a list of commodity software items available for purchase through the department.

## **Results**

### **Training**

DIR developed a training program to assist agencies in managing software, purchasing software and software licenses, and performing software audits. The program offers both classroom training and periodic briefings on software asset management to state agency Information Resources Managers (IRMs) and staff.

DIR hosted two half-day briefings in April entitled "Software Licensing: Policy, Practice, and Impact." These sessions provided an overview of developing policy, procedures, and standards to effectively manage software, to ensure compliance with software licensing restrictions and copyright law, and to support requirements of H.B. 1895. One hundred seventy-five staff members representing 99 state agencies attended the briefings.

In August, DIR hosted a briefing on "Software Licensing Trends." The session offered an overview of best practices in software asset management and examined trends in software licensing. Seventy-eight staff members, representing 53 state agencies attended the half-day briefing.

Classroom training consisted of two one-day classes developed by the Software Publishers Association and presented by the Remedy Corporation, in partnership with Productivity Point International. The classes offered were "Certified Software Manager" and "Software Management Planning." The eight classes held through September 2000 were attended by 98 people representing 37 agencies. Nine of the twenty agencies with the largest software budgets in the state attended the classes. Additional classes are scheduled in October 2000.

### **Software Audit**

The Legislative Budget Board, in consultation with DIR, published an amendment to the IR Biennial Operating Plan (BOP) Instructions to include the software audit results. Agencies submitted their BOP and audit savings information with their Legislative Appropriations Request. Twenty agencies reported total savings of \$233,897. The attached report details savings reported from the software licensing audits by agency and the total statewide savings.

### **Commodity Software**

Through its rulemaking authority, DIR adopted 1 TAC § 201.18 Purchases of Commodity Software Items. This rule requires state agencies and universities to utilize DIR's Cooperative Contracts Program when purchasing certain commodity software items and prescribes a procedure for obtaining waivers from this requirement. Waivers are granted to agencies that find (1) software at a price more than five percent lower than the DIR-negotiated price or (2) software with substantially more favorable contractual terms and conditions than available through the DIR contract.

DIR maintains a separate list of commodity software publishers and products for state agency customers. The list is available at <[http://www.dir.state.tx.us/busops/hb1895\\_software.htm](http://www.dir.state.tx.us/busops/hb1895_software.htm)>. Currently 11 commodity software publishers include their products on the list. Agencies have purchased \$27.9 million in commodity software products during fiscal year 2000 since the legislation became effective on September 1, 1999, generating \$7.2 million in savings/cost avoidance.

Attachment

**H.B. 1895 Savings**  
**Software License Audit Results Reported in Agency BOPs as of October 10, 2000**

No.	Agency	Savings
<b>Audit Results from Reporting Agencies</b>		
401	Adjutant General's Department	\$ -
737	Angelo State University	\$ -
507	Board of Nurse Examiners	\$ -
337	Board of Tax Professional Examiners	\$ -
511	Board of Vocational Nurse Examiners	\$ -
477	Commission on State Emergency Communications	\$ -
410	Criminal Justice Policy Council	\$ -
313	Department of Information Resources	\$ 191.25
327	Employees Retirement System of Texas	\$ -
533	Executive Council of Physical Therapy and Occupational Therapy Examiners	\$ -
325	Fire Fighters' Pension Commission	\$ -
303	General Services Commission	\$ -
789	Lamar Institute of Technology	\$ -
787	Lamar State College - Orange	\$ -
788	Lamar State College - Port Arthur	\$ -
734	Lamar University - Beaumont	\$ -
302	Office of the Attorney General - Child Support	\$ 1,924.00
302	Office of the Attorney General - Information Technology Services	\$ 5,784.78
304	Office of the Comptroller of Public Accounts - General	\$ 490.00
304	Office of the Comptroller of Public Accounts - ISAS	\$ -
307	Office of the Secretary of State	\$ -
473	Public Utility Commission of Texas	\$ 6,000.00
455	Railroad Commission of Texas	\$ -
753	Sam Houston State University	\$ -
754	Southwest Texas State University	\$ -
705	State Board for Educator Certification	\$ -
502	State Board of Barber Examiners	\$ -
360	State Office of Administrative Hearings	\$ -
479	State Office of Risk Management	\$ -
338	State Pension Review Board	\$ -
809	State Preservation Board	\$ -
756	Sul Ross State University	\$ -
713	Tarleton State University	\$ -
323	Teacher Retirement System of Texas	\$ 18,944.50
367	Telecommunications Infrastructure Fund Board	\$ 455.00
710	Texas A&M University	\$ -
751	Texas A&M University - Commerce	\$ 491.99
718	Texas A&M University at Galveston	\$ -
556	Texas Agricultural Experiment Station	\$ 90.00
555	Texas Agricultural Extension Service	\$ 45.00
458	Texas Alcoholic Beverage Commission	\$ -
554	Texas Animal Health Commission	\$ -
459	Texas Board of Architectural Examiners	\$ -

**H.B. 1895 Savings**  
**Software License Audit Results Reported in Agency BOPs as of October 10, 2000**

No.	Agency	Savings
508	Texas Board of Chiropractic Examiners	\$ -
460	Texas Board of Professional Engineers	\$ -
464	Texas Board of Professional Land Surveying	\$ -
578	Texas Board of Veterinary Medical Examiners	\$ -
352	Texas Bond Review Board	\$ -
527	Texas Cancer Council	\$ -
318	Texas Commission for the Blind	\$ -
335	Texas Commission for the Deaf and Hard of Hearing	\$ -
517	Texas Commission on Alcohol and Drug Abuse	\$ -
411	Texas Commission on Fire Protection	\$ -
409	Texas Commission on Jail Standards	\$ -
407	Texas Commission on Law Enforcement Officer Standards and Education	\$ -
813	Texas Commission on the Arts	\$ -
469	Texas Credit Union Department	\$ -
551	Texas Department of Agriculture	\$ -
451	Texas Department of Banking	\$ -
696	Texas Department of Criminal Justice - All	\$ -
696	Texas Department of Criminal Justice - Institutional Division: Education Dept Windham School Dist	\$ -
480	Texas Department of Economic Development	\$ -
501	Texas Department of Health	\$ 21,162.00
332	Texas Department of Housing and Community Affairs	\$ -
324	Texas Department of Human Services	\$ -
454	Texas Department of Insurance	\$ -
452	Texas Department of Licensing and Regulation	\$ -
655	Texas Department of Mental Health and Mental Retardation	\$ -
530	Texas Department of Protective and Regulatory Services	\$ 6,681.00
405	Texas Department of Public Safety	\$ -
601	Texas Department of Transportation	\$ -
340	Texas Department on Aging	\$ -
701	Texas Education Agency	\$ 3,000.00
712	Texas Engineering Experiment Station	\$ -
716	Texas Engineering Extension Service	\$ -
356	Texas Ethics Commission	\$ -
904	Texas Food and Fibers Commission	\$ -
576	Texas Forest Service	\$ -
513	Texas Funeral Service Commission	\$ -
305	Texas General Land Office	\$ -
529	Texas Health and Human Services Commission	\$ -
781	Texas Higher Education Coordinating Board	\$ -
808	Texas Historical Commission	\$ -
353	Texas Incentive and Productivity Commission	\$ -
532	Texas Interagency Council on Early Childhood Intervention	\$ -
665	Texas Juvenile Probation Commission	\$ -

**H.B. 1895 Savings**  
**Software License Audit Results Reported in Agency BOPs as of October 10, 2000**

No.	Agency	Savings
362	Texas Lottery Commission	\$ -
406	Texas Military Facilities Commission	\$ -
582	Texas Natural Resource Conservation Commission	\$ 5,303.00
514	Texas Optometry Board	\$ -
347	Texas Public Finance Authority	\$ -
476	Texas Racing Commission	\$ -
329	Texas Real Estate Commission	\$ -
330	Texas Rehabilitation Commission	\$ -
772	Texas School for the Deaf	\$ -
520	Texas State Board of Examiners of Psychologists	\$ -
503	Texas State Board of Medical Examiners	\$ -
456	Texas State Board of Plumbing Examiners	\$ -
512	Texas State Board of Podiatric Medical Examiners	\$ -
457	Texas State Board of Public Accountancy	\$ -
306	Texas State Library and Archives Commission	\$ -
719	Texas State Technical College - Harlingen	\$ -
719	Texas State Technical College - Marshall	\$ -
719	Texas State Technical College - Sweetwater	\$ -
719	Texas State Technical College - Waco	\$ -
719	Texas State Technical College System	\$ -
727	Texas Transportation Institute	\$ -
403	Texas Veterans Commission	\$ -
557	Texas Veterinary Medical Diagnostic Laboratory System	\$ -
580	Texas Water Development Board	\$ -
731	Texas Woman's University	\$ 88,352.00
453	Texas Workers' Compensation Commission	\$ 37,779.00
320	Texas Workforce Commission	\$ -
694	Texas Youth Commission	\$ -
333	The Texas Office of State-Federal Relations	\$ -
736	The University of Texas - Pan American	\$ -
714	The University of Texas at Arlington	\$ -
721	The University of Texas at Austin - Academic Computing	\$ -
721	The University of Texas at Austin - Administrative Computing Services	\$ -
721	The University of Texas at Austin - Telecommunications	\$ -
747	The University of Texas at Brownsville - Academic Computing	\$ -
747	The University of Texas at Brownsville - Administrative	\$ 1,589.00
738	The University of Texas at Dallas	\$ -
724	The University of Texas at El Paso	\$ 11,077.00
743	The University of Texas at San Antonio	\$ -
750	The University of Texas at Tyler	\$ -
745	The University of Texas Health Science Center at San Antonio - Brisco Library	\$ -
745	The University of Texas Health Science Center at San Antonio - Center for Distance Learning/Teleheal	\$ -
745	The University of Texas Health Science Center at San Antonio - Computing Resources	\$ 1,538.00

**H.B. 1895 Savings**  
**Software License Audit Results Reported in Agency BOPs as of October 10, 2000**

No.	Agency	Savings
723	The University of Texas Medical Branch at Galveston	\$ -
720	The University of Texas System - Office of Information Resources	\$ -
720	The University of Texas System - Office of Telecommunications Services	\$ -
730	University of Houston	\$ -
759	University of Houston - Clear Lake	\$ -
784	University of Houston - Downtown	\$ -
783	University of Houston System	\$ -
752	University of North Texas	\$ -
763	University of North Texas Health Science Center at Fort Worth	\$ 23,000.00
757	West Texas A&M University	\$ -
<b>Agencies That Have Not Reported (NR) Audit Results</b>		
598	Canadian River Compact Commission	NR
355	Children's Trust Fund of Texas	NR
204	Court Reporters Certification Board	NR
735	Midwestern State University	NR
212	Office of Court Administration	NR
359	Office of Public Insurance Counsel	NR
475	Office of Public Utility Counsel	NR
466	Office of the Consumer Credit Commissioner	NR
474	Polygraph Examiners Board	NR
715	Prairie View A&M University	NR
478	Research and Oversight Council on Workers' Compensation	NR
342	State Aircraft Pooling Board	NR
308	State Auditor's Office	NR
504	State Board of Dental Examiners	NR
242	State Commission on Judicial Conduct	NR
243	State Law Library	NR
312	State Securities Board	NR
755	Stephen F. Austin State University	NR
472	Structural Pest Control Board	NR
761	Texas A&M International University	NR
760	Texas A&M University - Corpus Christi	NR
732	Texas A&M University - Kingsville	NR
764	Texas A&M University - Texarkana	NR
710	Texas A&M University System Administration	NR
709	Texas A&M University System Health Science Center	NR
354	Texas Aerospace Commission	NR
344	Texas Commission on Human Rights	NR
467	Texas Commission on Private Security	NR
505	Texas Cosmetology Commission	NR
802	Texas Parks and Wildlife Department	NR
450	Texas Savings and Loan Department	NR
771	Texas School for the Blind and Visually Impaired	NR
717	Texas Southern University	NR

**H.B. 1895 Savings**  
**Software License Audit Results Reported in Agency BOPs as of October 10, 2000**

No.	Agency	Savings
515	Texas State Board of Pharmacy	NR
592	Texas State Soil and Water Conservation Board	NR
758	Texas State University System	NR
733	Texas Tech University - Academic Computing Services	NR
733	Texas Tech University - Administrative Computing Services	NR
733	Texas Tech University - Communication Services	NR
733	Texas Tech University - Operations	NR
733	Texas Tech University - University Computing Services	NR
739	Texas Tech University Health Sciences Center	NR
785	The University of Texas Health Center at Tyler	NR
744	The University of Texas Health Science Center - Houston	NR
745	The University of Texas Health Science Center at San Antonio - Telecommunications and Networking	NR
506	The University of Texas M.D. Anderson Cancer Center	NR
742	The University of Texas of the Permian Basin	NR
729	The University of Texas Southwestern Medical Center at Dallas	NR
765	University of Houston - Victoria	NR
	<b>Grand Total, All BOPs</b>	<b>\$ 233,897.52</b>